



GEORGIA DEPARTMENT OF REVENUE

▪ MOTOR VEHICLE DIVISION ▪

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Lynnette T. Riley, Commissioner ▪ Georgia Steele, Director

-Notice to Motor Vehicle Dealers-

New Method of Determining Fair Market Value of New (MSO/MCO), Leased Vehicles – Effective January 1, 2018 HB 340 (2017) – O.C.G.A. § 48-5C-1(a)(1)(D)-(E)

Why are we receiving this notification?

- Effective **January 1, 2018**, Georgia House Bill 340 requires that the Department of Revenue (DOR) provide two methods of calculating TAVT for new, leased vehicles:
 - (1) the previously used calculation method based on vehicle value (either the value contained in the DOR assessment manual or the agreed upon value contained in the lease agreement, whichever is higher), or
 - (2) a new calculation method based on the total of the base payments pursuant to the lease agreement (including any down payments).
- If **Option (1)** is selected, the trade-in value (if present) and the value of any rebate (if present) will be subtracted to determine the fair market value (FMV), which determines the TAVT due. If **Option (2)** is selected, FMV may not be reduced by the values of trade-ins and rebates.
- The FMV will then be multiplied by the applicable TAVT rate to determine the TAVT due.
- Please note - the calculation of TAVT for all used vehicles (whether leased or purchased) and for new vehicles that are purchased will not change.
- For additional information please see Ga. Comp. R. & Reg. § 560-11-14-.01.

What do we need to do?

- As of January 1, 2018, the dealer will use one of the above methods of TAVT calculation for new, leased vehicles with a purchase date of January 1, 2018, or later. The dealer should use the calculation method selected by the lessor and the lessee.



For more information, please visit the Motor Vehicle Division website at <https://dor.georgia.gov/motor-vehicles> or scan the QR code.